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Contact:

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Jaime Garza 916-327-8988

Gasoline Consumption Increases First Time in a Year as Prices Spike Gasoline Consumption Up 2.1%; Prices Jumped 12.6%

Sacramento – For the first time in a year, gasoline consumption rose—2.1 percent—despite a hefty 12.6 percent increase in California gasoline prices, according to a report released today by George Runner, Second District Member of the California State Board of Equalization (BOE). Gasoline prices jumped 12.6% to an average of \$4.03 a gallon in February 2012, while consumption increased 2.1% compared to a year ago.

"Increased fuel consumption is an encouraging sign that our economy is recovering," said Runner. "But what I'd really like to see is lower gas prices. California continues to have some of the highest gas prices and gas taxes in the nation—and that hinders both our economy and job creation."

In California, diesel fuel prices were up 11.8% to \$4.25 as consumption increased 4.3% in February from a year earlier. Diesel consumption often reflects the pace of economic activity such as imports and exports through California ports, supply and demand conditions in residential and nonresidential construction, and agriculture.

Gasoline and diesel fuel prices in California were higher than the nation as a whole. Nationally, the U.S. Energy Information Administration (EIA) reports that the average price of a gallon of gasoline was up 11.7% to \$3.64 in February from a year ago. The EIA also reported that the national average price of a gallon of diesel was up 10.3% to \$3.95 in February from a year earlier.

The high price of gasoline was a primary factor in the rise in consumer prices. The U.S. Bureau of Labor Statistics reported in February 2012 that its consumer price index rose 2.9% in February 2012 from a year earlier.

Consistent with using more gasoline, the Federal Highway Administration data show a 1.0% increase in vehicle miles traveled by Californians in February 2012 from a year earlier."

BOE monitors gasoline consumption using tax receipts paid by fuel distributors in California. BOE updates the fuel reports at the end of each month.

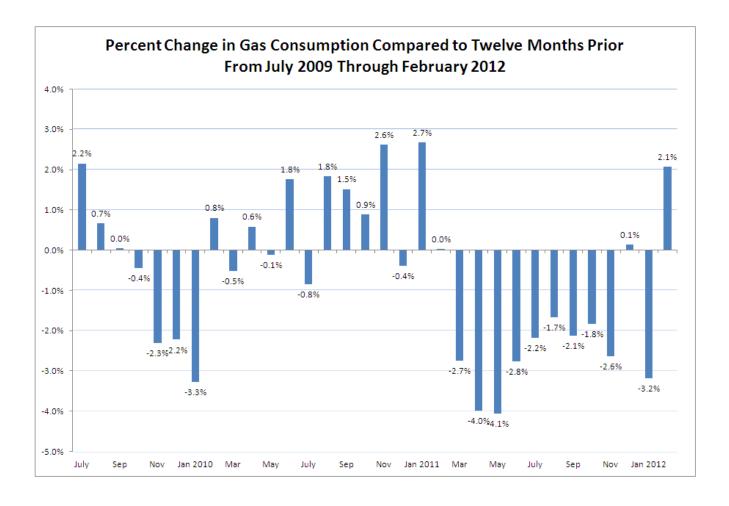
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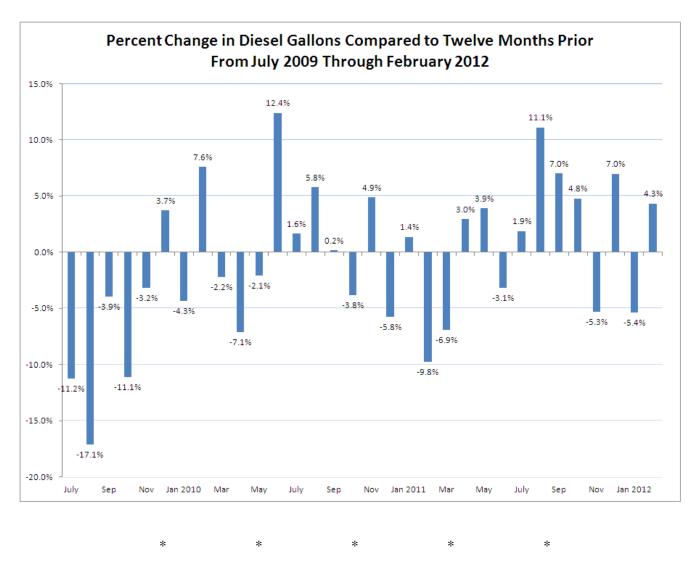


Taxable Gasoline Gallons Report: www.boe.ca.gov/sptaxprog/reports/MVF_10_Year_Report.pdf

Taxable Diesel Gallons Report: www.boe.ca.gov/sptaxprog/reports/Diesel_10_Year_Report.pdf







Elected in November 2010, George Runner represents the State Board of Equalization's Second District. He is a leading advocate for California taxpayers. Runner has worked to improve California's tax policies and practices and to create and retain more private sector jobs in our state. Prior to his election to the Board, Runner served twelve years in the State Legislature, authoring the well-known California Amber Alert and California's Blue Alert. As a thoughtful conservative, his legislative priorities included improving the economy, business growth, education excellence, and public safety for all Californians. As a member of the Senate Revenue and Taxation Committee, Runner consistently led the fight against tax increases and supported tax relief for families and businesses.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$50 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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